

NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

**SPECIAL TOOL, DIE, AND
MACHINE SHOP INDUSTRY**

AS APPROVED ON NOVEMBER 17, 1933

BY

PRESIDENT ROOSEVELT



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EXECUTIVE ORDER

CODE OF FAIR COMPETITION FOR THE SPECIAL TOOL, DIE AND MACHINE SHOP INDUSTRY

An application having been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Special Tool, Die and Machine Shop Industry, and hearings having been held thereon and the Administrator having rendered his report containing an analysis of the said code of fair competition together with his recommendations and findings with respect thereto, and the Administrator having found that the said code of fair competition complies in all respects with the pertinent provisions of title I of said act and that the requirements of clauses (1) and (2) of subsection (a) of section 3 of the said act have been met:

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do adopt and approve the report and recommendations, and findings of the Administrator and do order that the said code of fair competition be and it is hereby approved.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

November 17, 1933.

Approval recommended:

HUGH S. JOHNSON,

Administrator.

(III)

NOVEMBER 10, 1933.

THE PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Special Tool, Die, and Machine Shop Industry, held in Washington on November 2, 1933, in accordance with the provisions of the National Industrial Recovery Act.

PROVISIONS AS TO HOURS AND WAGES

Employees are limited to forty (40) hours per week except during peak periods when they may work an average of forty-eight (48) hours per week for eight (8) weeks in any six (6) months' period, provided that no unemployed workers possessing the necessary skill are available. Time and one half will be paid to employees working in excess of eight (8) hours per day, or forty-eight (48) hours per week.

The above limitations do not apply to executives, managers or supervisors, receiving more than thirty-five (\$35.00) dollars per week, or to outside salesmen.

The minimum wage for factory employees will be forty cents (40¢) per hour. Superannuated or disabled employees will receive not less than eighty percent (80%) of the minimum, and such superannuated employees and learners are not to exceed five percent (5%) of the average total number of employees. The wage differentials in all classes will be equitably readjusted and will not be decreased. No distinction in wage rates shall be made between male and female employees.

A maximum average of forty (40) hours per week during any five week period is provided for employees engaged in accounting, clerical, service and sales work, and who may be employed not more than forty-eight (48) hours per week during any one week. The minimum wage will be not less than fifteen (\$15.00) dollars per week, except that office boys and girls and messengers, to a total of not more than five percent (5%) of the total number of employees, will receive not less than eighty percent (80%) of this minimum wage.

CHILD LABOR

The minimum age will be sixteen (16) years and no person under eighteen (18) years of age will be employed in any hazardous occupation.

ECONOMIC EFFECT OF THE CODE

Because of the very recent organization of this Industry into an association accurate and full statistics are not yet available. The Industry produces special tools for the production work of many

other industries, and depends upon the replacement of equipment in these industries. High and low peaks of employment exist to meet sudden demands for tools.

Approximately 11,000 employees were engaged in the work of the Industry in 1929, but this number was reduced to about 4,700 in 1931. It is estimated that approximately 25 percent additional employees will be put to work by prospective new business and through the operation of the schedule of hours provided in this code. Pay rolls, for the same reason, are expected to be increased approximately thirty-three (33) percent.

FINDINGS

The Administrator finds that—

(a) The Code as recommended complies in all respects with the pertinent provisions of Title I of the Act, including without limitation, subsection (a) of Section 7 and subsection (b) of Section 10 thereof; and that

(b) The applicant group imposes no inequitable restrictions on admission to membership therein and is truly representative of the Special Tool, Die, and Machine Shop Industry; and that

(c) The Code as recommended is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them, and will tend to effectuate the policy of Title I of the National Industrial Recovery Act.

It is recommended, therefore, that this Code be approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

CODE OF FAIR COMPETITION FOR THE SPECIAL TOOL, DIE, AND MACHINE SHOP INDUSTRY

ARTICLE I—PURPOSES

To effectuate the policy of Title I of the National Industrial Recovery Act during the period of the emergency by reducing and relieving unemployment, improving the standards of labor, eliminating competitive practices destructive to the interests of the public, employees and employers, and otherwise rehabilitating the Special Tool, Die, and Machine Shop Industry, and by increasing the consumption of industrial products by increasing purchasing power, and in other respects the following provisions are established as a Code of Fair Competition for the Special Tool, Die, and Machine Shop Industry.

ARTICLE II—DEFINITIONS

The term "employee" as used herein includes anyone engaged in the industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

The term "employer" as used herein includes anyone by whom any such employee is compensated or employed.

The term "industry" as used herein is defined to include the design, development, manufacture, repair, and/or assembly for sale of special tools, special dies, moulds, pressure moulds, special jigs, special gauging fixtures, machinery of a special custom-built nature not now or hereafter regularly produced in another product classification, and/or machined parts of like character.

The term "member of the industry" includes anyone in the industry as above defined, either as an employer or on his own behalf.

The term "member of the code" means any member of the industry who shall have become a member of the Code as hereinafter, in Article VI, provided.

The term "Institute" as used herein means "The Special Tool, Die, and Machine Shop Institute", a national trade association.

The term "Authority" as used herein means the code authority or agency set up pursuant to the provisions of Article VI herein.

The term "Administrator" as used herein means the administrator of Title I of the National Industrial Recovery Act.

The term "Act" as used herein means the National Industrial Recovery Act.

The term "President", as used herein, means the President of the United States.

The term "learner", as used herein, means an employee without previous mechanical experience engaged to become competent on one or more machine operations but who shall not be so classified after

ninety (90) days' experience in the industry irrespective of whether they are or have been employed by one or more employers.

The term "apprentice", as used herein, shall mean a person, usually a minor, indentured to serve an employer for a specified term of years in order to learn a trade, art, or profession.

ARTICLE III—HOURS

1. No employee shall be permitted to work in excess of 40 hours per week; provided, however, that during any period in which a concentrated demand upon any division of the industry shall place an unusual and temporary burden for production upon its facilities, and no unemployed workers possessing the necessary skill to perform said production work are available, an employee of such division may be permitted to work an average of not more than 48 hours for not more than 8 weeks in any 6 months' period, and provided further that these limitations shall not apply to employees on emergency, maintenance, or repair work, or to very special cases where restriction of hours of highly skilled workers would unavoidably reduce or delay production, or to employees engaged in try-out, and/or installation work where products of the industry must be tried out and/or installed or demonstrated in the user's plant.

2. Where in any case an employee, other than a salaried employee, works in excess of 8 hours per day, or 48 hours per week, such extra time shall be compensated for at not less than one and one half times the hourly rate of such employee, excepting, however, watchmen and firemen, who shall be exempt from the provisions of Section I of this Article, but who shall not work in excess of six days or more than 56 hours in any one week.

3. Employees engaged in executive, managerial, or supervisory capacities who earn not less than \$35.00 per week, and outside salesmen, shall not be limited by any provision of this Article.

4. No one employed at manual labor, and no draftsman or designer earning less than \$35.00 per week, shall be deemed to be engaged in an executive or managerial capacity, and excepted from the maximum hours provided herein.

5. No employer shall knowingly engage any employee for any time, which, when totaled with that already performed with another employer, or employers, exceeds the maximum permitted herein.

6. Accounting, clerical, service, and delivery employees may be employed an average of 40 hours per week for any five weeks period and not more than 48 hours in any one week.

ARTICLE IV—WAGES

1. The minimum rate that shall be paid to any employee in the Industry shall not be less than forty (40¢) cents per hour, excepting superannuated or disabled employees not employed on skilled operations and learners who shall receive not less than 80 percent of the minimum, provided, however, that the total number of such learners, superannuated, or disabled employees, employed by any one member of the Industry shall be restricted to five (5) percent of

the average total number of his employees operating under this Code; provided, however, that any member of the Industry may employ at least two (2) such learners and superannuated or disabled employees.

2. Nothing in this Article IV shall apply to or affect any employee apprenticed to any employer by an indenture made in pursuance of the laws of any state of the United States under any apprentice system established and maintained by any employer.

3. The minimum wage that shall be paid to any office or any other employee not covered in Section 1 of this Article IV shall not be less than \$15.00 per week, except that office or errand boys or girls or messengers, who shall be limited in number to 5 percent of the total number of office employees in any factory or plant may be paid not less than 80 percent of the minimum; provided, however, that at least two (2) such office or errand boys or girls or messengers may be employed in any factory or plant.

4. Equitable readjustment shall be made of all hourly wage rates above the minimum (unless such readjustments have been made since July 1, 1933) and a report of all such readjustments shall be made to the Code Authority within thirty (30) days of the effective date of this Code.

5. No distinction in rates shall be made between male and female employees where the same class of work is performed, regardless of whether compensation is based on a monthly, piecework, or other basis.

ARTICLE V—GENERAL LABOR PROVISIONS

1. No person under 16 years of age shall be employed in the Industry, nor anyone under 18 years of age at occupations or operations hazardous in nature or detrimental to health. The Code Authority shall submit to the Administrator within ninety (90) days after the President's approval of this Code, a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the authority in such State empowered to issue employment or age certificates or permits, showing that the employee is of the required age.

2. Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

5. Within each State this Code shall not supersede any laws of such State imposing more stringent requirements on employer regu-

lating age of employees, wages, or health, fire, or general working conditions than under this Code.

6. No employer shall reclassify employees or duties of occupations performed or engage in any other subterfuge for the purpose of defeating the purposes or provisions of the Act or of this Code.

7. Each employer shall post in conspicuous places full copies of this Code.

ARTICLE VI—ADMINISTRATION

To further effectuate the policies of the Act, a Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code.

1. Organization and constitution of Code Authority:

(a) The Code Authority shall consist of not more than seven nor less than five voting members. Five voting members of the Code Authority shall be selected by the Executive Committee of the Institute, and two by members of the Industry who are not members of the Institute, if they so desire. In addition, the Administrator may if he so desires appoint not to exceed three members without vote to represent him or such groups or interests as may be agreed upon.

(b) Members of the Industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expenses of its administration. The reasonable share of the expenses of administration shall be determined by the Code Authority, subject to review by the Administrator, on the basis of volume of business and/or such other factors as may be deemed equitable to be taken into consideration.

(c) In order that the Code Authority shall at all times be truly representative of the Industry, and in other respects comply with the provisions of the Act, the Administrator may provide such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act, may require an appropriate modification in the method of selection of the Code Authority.

2. The Code Authority shall have the following powers and duties, the exercise of which shall be reported to the Administrator and shall be subject to his right, on review, to disapprove or modify any action taken by the Code Authority.

(a) Such Code Authority may from time to time present to the Administrator recommendations based on conditions in the Industry as they may develop which will tend to effectuate the operation of the provisions of this Code.

(b) To collect from members of the Code all statistics and data required by this Code or by the President, or reasonably pertinent to the effectuation of Title I of the Act, and to compile same, and disseminate among the members of the Code summaries thereof, all in such form and manner as the Code Authority shall reasonably prescribe, subject to approval by the Administrator.

(c) To represent the members of the Industry in conference with the Administrator relative to the application of this Code and of the Act and any regulations issued thereunder. The Code Authority shall hold itself in readiness to assist and keep the Administrator fully advised, and to meet with the Administrator's representative from time to time, as requested, to consider and study any suggestions or proposals presented on behalf of the Administrator or any member of the Code, regarding the operation, observance, or administration of this Code.

(d) In addition to the information required to be submitted to the Code Authority there shall be furnished to government agencies such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act.

ARTICLE VII—TRADE PRACTICES

The following practices constitute unfair methods of competition for members of the Industry and are prohibited:

1. *Selling below cost.*—The willful or intentional sale of any of the products or services of the Industry below the vendor's cost, the latter to be determined in accordance with a system of accounting acceptable to or established by the Code Authority with the approval of the Administrator.

2. *Secret Rebates.*—To give or offer unearned or secret rebates, refunds, allowances, discounts, or special services, directly or indirectly, in connection with any product or service of the Industry.

3. *Subcontracting.*—To subcontract any of the products or services of the Industry, in whole or in part, to any employee upon terms or conditions which may directly or indirectly result in the payment to such employee of less than the minimum hourly rates of pay prevailing for such class of work; provided that every employee so employed be informed in advance of the minimum hourly rates to which he is entitled.

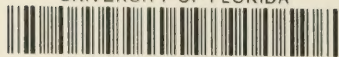
4. *Pirating.*—Appropriating or attempting to appropriate ideas, sketches, designs, or drawings originated and owned by another in the Industry without the owner's consent.

5. *False or misleading advertising.*—To make, cause, or permit to be made or published, any false, untrue, or deceptive statement in advertising, catalogue, or otherwise, concerning the grade, weight, quality, substance, character, nature, origin, size, or preparation of any product and/or services of the Industry, having the tendency and capacity to mislead or deceive purchasers or prospective purchasers.

6. *Rent or lease to shop workers.*—To rent, lease, or allow the use of any floor space, bench space, and/or machine capacity, or equipment, to shop workers for the purpose of manufacturing for sale or for use any of the products and/or services of the Industry by any member of the Industry who is keeping his plant open for the purpose of operating in competition with other members of the Industry.

ARTICLE VIII—MODIFICATIONS

It is contemplated that supplementary provisions or amendments of this Code, or additional codes applicable to the Special Tool, Die,



and Machine Shop Industry, may from time to time be submitted in behalf of the Institute for the approval of the President.

1. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act and specifically, but without limitation, to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

ARTICLE IX—MONOPOLIES

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE X—PRICE INCREASES

Whereas the policy of the Act to increase real purchasing power will be made impossible of consummation if prices of goods and services increase as rapidly as wages, it is recognized that price increases should be delayed and that, when made, the same should, so far as reasonably possible, be limited to actual increase in the seller's costs.

ARTICLE XI—EFFECTIVE DATE

This Code shall become effective and binding on the fifth day after its approval by the President.

